

**Duke-Progress Merger**  
**Docket No. E-2, Sub 998, and E-7, Sub 986**  
**Computation of FERC Mitigation Capacity Cost Decrement**  
**NC Retail Operations**

| Line<br>No | Item                                     |    | DEC                    | PEC                    |
|------------|--|----|------------------------|------------------------|
| 1.         | NC Retail Mitigation Capacity Allocation | 1/ | \$30,286,447           | \$14,510,546           |
| 2.         | Forecast NC Retail kWh Sales             | 2/ | <u>165,977,270,402</u> | <u>112,075,177,338</u> |
| 3.         | Decremental \$/kWh Sales                 |    | \$0.000182             | \$0.000129             |
| 4.         | Billing Adj. - NC GRT and Reg. Fee       |    | <u>1.034554</u>        | <u>1.034554</u>        |
| 5.         | Proposed NC Retail Rider \$/kWh          |    | <u>\$0.000189</u>      | <u>\$0.000134</u>      |

Footnotes:

1/ Based on Stipulated Methodology.

2/ Based on September 2011 IRP Filings.